
From: Lucinda Halley [mailto:llhalley@earthlink.net]
Sent: Wednesday, April 12, 2006 11:05 AM
To: Ombudsman Washington
Subject: My Concern about a Wal-Mart Bank

I am concerned about Wal-Mart's desire to open its own bank. As I understand the issue, Wal-Mart wishes to process its own credit transactions and clear the checks that its retail outlets take in from customers.

Banking is much more than these two types of transactions. By allowing Wal-Mart to "cherry pick" the type of banking transactions that it wants to perform, FDIC will cripple those "full-service" or true banking institutions by taking away one of their profitable businesses while forcing them to continue to act as financial intermediaries to the nation and to the world.

I am thinking specifically of the intermediation that our national banks performed during the early 1980's. Oil-poor nations could not afford to buy oil. Our banks stepped in and acted as intermediaries by lending to the oil-poor nations. The banks did this with no guarantee that they would be repaid either by our nation or by the foreign governments. Somehow, I can't see Wal-Mart stepping up to the plate in a situation like this.

Wouldn't it just be deliciously ironic if Wal-Mart, destroyer of the middleman, was to become a financial middleman? Somehow the irony exposes the falsity of Wal-Mart's application to become a bank!

Thank you for allowing me to comment on the Wal-Mart banking application. I hope that you will forward my concerns to Mr. John Bovenzi, Chief Operating Officer, FDIC.

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